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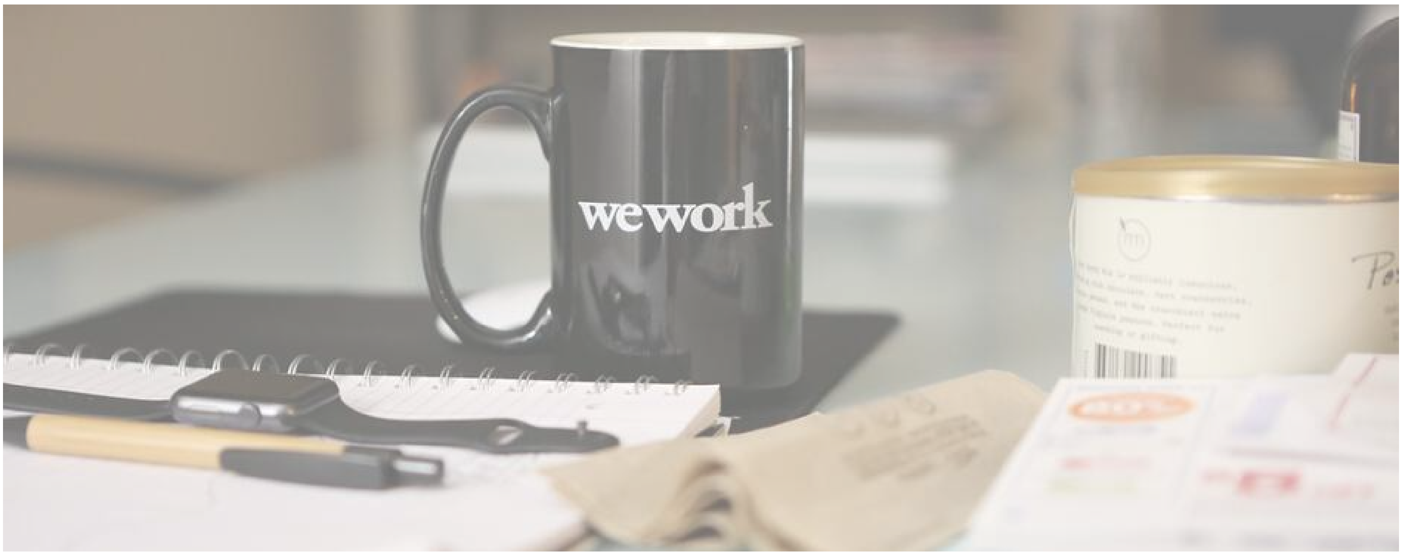
THE DAILY LIFELINE

Official Newsletter of Diucon



WHAT'S NEW IN PROFESSIONAL/ BUSINESS WORLD TODAY

Goods & Service Tax
Direct Tax Code
Income Tax
Economy | Finance
Insolvency Laws
Corporate Laws

BIGGEST CHALLENGE- HOW TO KEEP UPDATED ON DAILY BASIS

By Pradeep Goyal, FCA | CFA | CPA, Australia | Registered Valuer | Insolvency Professional | ID-IICA | ICAI Certified GST Expert

Laws are changing frequently in India, there are big developments and announcements on daily basis in Economic & Finance world and many other reforms are on the way. This newsletter will keep you updated on daily basis along with documents taken from authentic sources.

INDEX

UPDATES RELATED TO

- **New Direct Tax Code**
- **Goods & Service Tax & Other Indirect Taxes**
- **Income Tax**
- **Announcements by ICAI**
- **Announcements by ICSI**
- **Corporate Laws**
- **The Insolvency and Bankruptcy Law**
- **Security and Exchange Board of India (SEBI)**
- **Director General of Foreign Trade (DGFT)**
- **Start-ups**
- **Micro, Small & Medium Enterprises**
- **Reserve Bank of India**
- **New acts notified/Bills introduced in parliament or Executive orders by President**
- **Economy & Finance.**

[From Monday to Friday 5 days a week as Saturdays and Sundays being holiday and closure of all government departments hence no updates]

Appeal to generously donate to 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)'

March 28, 2020

Keeping in mind the need for having a dedicated national fund with the primary objective of dealing with any kind of emergency or distress situation, like posed by the COVID-19 pandemic, and to provide relief to the affected, a public charitable trust under the name of 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund)' has been set up. Prime Minister is the Chairman of this trust and its Members include Defence Minister, Home Minister and Finance Minister. This fund will enable micro-donations as a result of which a large number of people will be able to contribute with smallest of denominations.

Citizens and organisations can go to the website pmindia.gov.in and donate to PM CARES Fund using following details:

Name of the Account:	PM CARES
Account Number:	2121PM20202
IFSC Code:	SBIN0000691
SWIFT Code:	SBININBB104
Name of Bank & Branch:	State Bank of India, New Delhi Main Branch
UPI ID:	pmcares@sbi

Following modes of payments are available on the website pmindia.gov.in.

Debit Cards and Credit Cards
Internet Banking
UPI (BHIM, PhonePe, Amazon Pay, Google Pay, PayTM, Mobikwik, etc.)
RTGS/NEFT
Donations to this fund will be exempted from income tax under section 80(G).

Use think link to know more
Use think link to pay online

Goods & Service Tax & other Indirect taxes

- **Notifications/Circulars/Press releases/FAQs/Portal Updates/Write-ups by CBIC/Government.**

  - **GSTN launch facility for tracking GST Refund Application Status on the GST Portal and PFMS portal**

    The functionality to track the status of refund application has been available on the GST portal. By utilising this functionality, the taxpayers can know the stage at which the refund application is pending with the tax-officer/ taxpayer.

    Read here for more | To download the detailed advisory, Click Here.

  - **Appeal and review mechanism in GST.**

    Download CBIC E-flyer

- **Legal updates- Advance Ruling Authorities/Tribunals/High Courts/Supreme Court**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision	
			Provisions discussed	Decision
1	[2020] 116 taxmann.com 3 National Plywood Industries Ltd. v. Union of India W.P. (C). NO. 1059 OF 2020 FEBRUARY 17, 2020	Guwahati High Court	Section 61 of CGST Act	Where GST Authority passed assessment order on assessee and imposed tax and penalty; whereas an order of moratorium had already been passed against assessee, matter required to be remanded back to GST Authority for a fresh consideration by examining aspect as to whether order of moratorium also covered proceeding pending before GST Authority

Income Tax

- **Notifications/Circulars/Instructions/Press releases/FAQs by Board/Government.**

  - **OECD releases 2nd peer review report assessing countries efforts on preventing treaty shopping.**
    OECD has released the second peer review assessing countries efforts to implement the Action 6 minimum standard as agreed under the OECD/G20 BEPS Project. The report has revealed that a large majority of members of the OECD/G20 Inclusive Framework on BEPS (IF) are translating their commitment on treaty shopping into actions and are modifying their treaty network.
    Read here for more details

- **Legal updates- Tribunals, High Court & Supreme Court judgements**

Sr.No.	Key to find the document	Authority who passed the order	Details of decision Decision
1	[2020] 114 taxmann.com 639 Dena Bank v. Principal Commissioner of Income-tax - 2, Mumbai IT APPEAL NO. 2159 (MUM.) OF 2018 [ASSESSMENT YEAR 2014-15] JANUARY 23, 2020	Mumbai Tribunal	**No Sec. 263 revision to disallow penalty paid for violation of KYC norms if AO had conducted detailed enquiry** Where revision was invoked against assessee to question deduction allowed towards bad debts written off in respect of non-rural advances under section 36(1)(vii), payment made towards contribution to gratuity fund, penalty payment to RBI for violation of KYC norms and provision for wage arrears, since Assessing Officer had conducted detailed enquiry in respect of all these issues during assessment proceedings and assessee had also furnished a detailed reply and relief was allowed only after making required enquiries, impugned revision was unjustified.

Announcement by ICAI

❖ **Restoration of Membership/COP of ICAI.**

Referring to communication sent by the Institute regarding removal of Membership for the year 2019-20 due to non-payment of Membership Fee. ICAI requested its members to file online Form 9/Form 101 for restoration of Membership/COP to avoid any chance of discontinuance of Membership/COP on the Self Service Portal (SSP) latest by 31st March 2020.

Use this link to submit forms

Detailed announcement here

❖ **ICAI Appeal to contribute in ICAI Covid 19 Relief Fund**

Use this link to contribute

Detailed announcement here

Announcement by ICSI

❖ **ICSI Appeal to members for voluntary Contribution for COVID-19 and inform about Supportive measures undertaken by ICSI.**

Detailed announcement here

Link to contribute online

Corporate Laws

❖ **Any contribution made by companies to PM Cares Fund shall qualify as CSR Expenditure.**

MCA OM dated 28/03/2020

The Insolvency and Bankruptcy Law

- **Notification/Circular/Press release/ Write-ups/Newsletters by IBBI/Government**

❖ IBBI amends the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 by notifying the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020 which shall come into force on the 28th March, 2020.

Copy of amendment regulation here

Details of amendments-

- **AMENDMMENT-1**

  Clause (ca) of Regulation 7(2) requires IP to pay to the Board, a fee calculated at the rate of 0.25 percent of the professional fee earned for the services rendered by him as an insolvency professional in the preceding financial year, on or before the 30th of April every year, along with a statement in Form E of the Second Schedule.

  Now a proviso is inserted, which provides that for the financial year 2019-2020, an insolvency professional shall pay the fee under this clause on or before the 30th June, 2020.

- **AMENDMMENT-2**

  Clause (b) of Regulation 13(2) requires that the insolvency professional entity shall inform the Board, within seven days, when an individual cease to be its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees.

  Now proviso is inserted to provide that when an individual cease to be its director or partner, as the case may be, on and from 28th March 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such cessation.

- **AMENDMMENT-3**

  Clause (c) of Regulation 13(2) requires that the insolvency professional entity shall inform the Board, within seven days, when an individual join as its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees.

  Now proviso is inserted to provide that when an individual join as its director or partner, as the case may be, on and from 28th March 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such joining.

- **AMENDMMENT-4**

  Clause (ca) of Regulation 13(2) requires that the insolvency professional entity shall pay to the Board, a fee calculated at the rate of 0.25 percent of the turnover from the services rendered by it in the preceding financial year, on or before the 30th of April every year, along with a statement in Form G of the Second Schedule.

  Now proviso is inserted to provide that for the financial year 2019-2020, an insolvency professional entity shall pay the fee under this clause on or before the 30th June, 2020.

- IBBI amends the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 by notifying the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 which shall come into force on the 28th March, 2020.
  Copy of amendment regulation here

  Details of amendments-

  - **AMENDMMENT-1**
    Amendment in Sub-clause (5) of Clause 12A of schedule. "Model Bye-Laws of an Insolvency Professional Agency".

    Sub-clause (5) says that If the authorisation for assignment is not issued, renewed or rejected by the Agency within fifteen days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.
    Now proviso is inserted to provide that, for an application received on and from 28th March 2020 and ending on the 30th September 2020, if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.

  - **AMENDMMENT-2**
    Amendment in Sub-clause (7) of Clause 12A of schedule. "Model Bye-Laws of an Insolvency Professional Agency".

    Sub-clause (7) says that an applicant aggrieved of an order of rejection of his application by the Agency may appeal to the Membership Committee within seven days from the date of receipt of the order.
    Now proviso is inserted to provide that where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from 28th March 2020 and ending on the 30th September, 2020, the applicant aggrieved of an order of rejection may appeal to the Membership Committee within thirty days from the date of receipt of order.

- **News/Latest Developments/Other updates**

- **UK to change insolvency rules to protect businesses**
  Wrongful trading law to be suspended to protect directors who pay staff and suppliers.
  [Financial Times Report]

- **UK Business Secretary announces insolvency rule changes to allow business to bounce back.**
  Business Secretary Alok Sharma says the government told workers and business leaders that he "appreciates just how tough the situation is.
  [UK Business Matters Report]

Security and Exchange Board of India (SEBI)

- **SEBI issued its Bulletin – March 2020**
  [Download here]

Reserve Bank of India

The Amalgamation of certain banks into Indian Bank Scheme, 2020, issued by the Government of India sanctioning the Amalgamation which will come into force on the 1st day of April 2020.Consequently, all branches of below banks will function as branches of given banks from April 1, 2020. Customers including depositors of these banks, will be treated as customers of new bank with effect from April 1, 2020: -

- Branches of Allahabad Bank to operate as branches of Indian Bank from April 1, 2020

- Branches of Andhra Bank and Corporation Bank to operate as branches of Union Bank of India from April 1, 2020

- Branches of Oriental Bank of Commerce and United Bank of India to operate as branches of Punjab National Bank from April 1, 2020

- Branches of Syndicate Bank to operate as branches of Canara Bank from April 1, 2020

[Visit here for more details]

Economy & Finance

- **CII requests Govt to allow passing resolutions without board meeting**

  The Confederation of Indian Industry (CII) met Corporate Affairs Secretary Injeti Srinivas on Friday and asked for some relaxations. It requested that firms be allowed to pass circulars, resolutions without the requirement of conducting a board meeting up to June 30. Currently, board meetings are required for matters such as deciding on buy-back of securities, investing funds of the company, borrow monies, taking over a company or acquiring a substantial stake in another firm. The chamber also called for relaxing the requirement of holding board meeting in physical presence for appointment of directors and independent directors in casual vacancies. The Centre has allowed holding board meetings through video conference.

  Business Standard Report

- **Keep banking channels up and running; maintain smooth cash withdrawals: FM**

  The Union government has asked all banks to ensure that their banking channels — branches, ATMs, and the business correspondent network — are up and running across India for transactions, especially cash withdrawals. Banks are expected to witness a surge in transactions across channels next week, owing to salary payments to employees. Pensioners will also be visiting branches in the first few days of April. The beneficiaries of the direct benefit transfer (DBT) scheme are also likely to withdraw money from their accounts, senior public sector bankers said. Finance Minister Nirmala Sitharaman held one-to-one interaction with chief executives of banks on Saturday. The nationwide lockdown to prevent the spread of Covid-19 has led to disruptions in banking operations in the field. Banking services have been declared as essential services.

  Business Standard Report

Knowledge shared= Knowledge²

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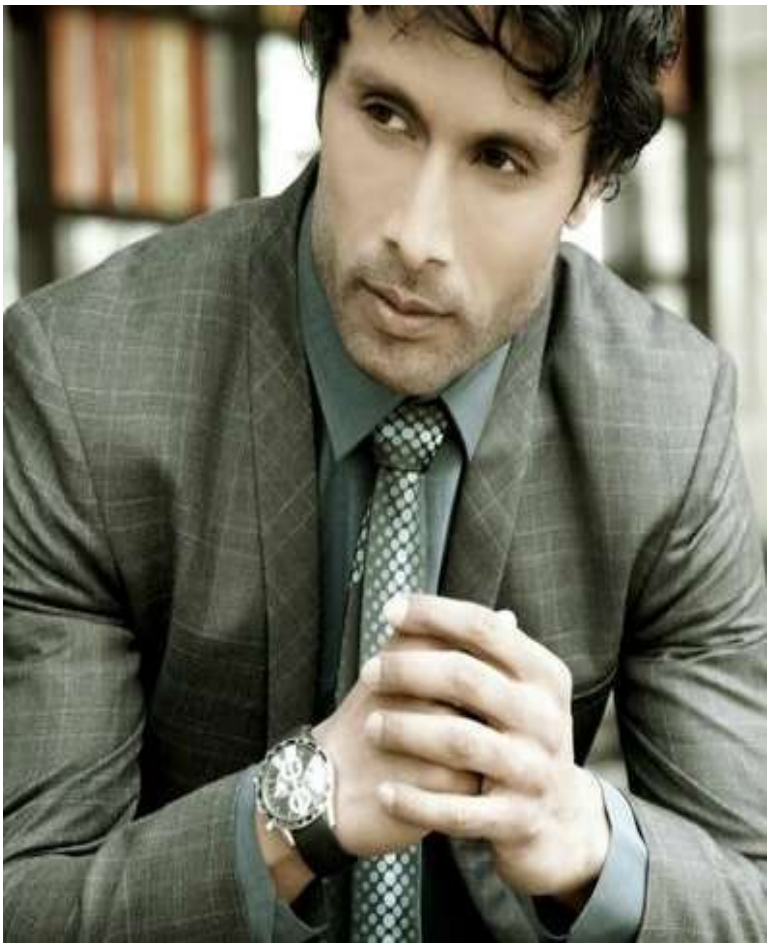
About Scribbler

PRADEEP GOYAL

- **Fellow Member** of the Institute of Chartered Accountants of India.
- **Associate member** of Professional Accounting Body of Certified Practising Accountants (CPA), Australia.
- **Registered Valuer with IBBI-** Asset Class- Securities or Financial Assets
- **CFA (Corporate Finance)**- Columbia Business School, USA | EMERITUS Institute of Management, Singapore.
- **Certified Goods & Service Tax Practitioner** from ICAI & Ministry of Micro, Small & Medium Enterprises, Government of India.



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Profile

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